

5-January-2005

BUDGET ASSUMPTIONS

Nominal Treasury Interest Rates for Different Maturities
(from the annual budget assumptions for the first year of the budget forecast)

| Calendar Year | 3-Year | 5-Year | 7-Year | 10-Year | 30-Year |
|---------------|--------|--------|--------|---------|---------|
| 1979 | 9.7 | 9.2 | 9.1 | 9.0 | 8.9 |
| 1980 | 10.9 | 10.6 | 10.6 | 10.6 | 10.4 |
| 1981 | 13.4 | 12.8 | 12.6 | 12.2 | 11.8 |
| 1982 | 12.8 | 13.1 | 13.2 | 13.3 | 13.0 |
| 1983 | 9.5 | 9.8 | 10.0 | 10.2 | 10.3 |
| 1984 | 9.8 | 10.0 | 10.1 | 10.3 | 10.4 |
| 1985 | 10.3 | 10.7 | 10.8 | 11.0 | 11.0 |
| 1986 | 8.6 | 8.8 | 8.8 | 8.9 | 9.1 |
| 1987 | 6.3 | 6.5 | 6.6 | 6.7 | 7.0 |
| 1988 | 7.3 | 7.7 | 7.8 | 8.0 | 8.1 |
| 1989 | 7.8 | 8.1 | 8.2 | 8.3 | 8.2 |
| 1990 | 7.4 | 7.5 | 7.6 | 7.7 | 7.8 |
| 1991 | 7.2 | 7.4 | 7.4 | 7.5 | 7.7 |
| 1992 | 6.1 | 6.5 | 6.7 | 7.0 | 7.1 |
| 1993 | 5.6 | 6.0 | 6.3 | 6.7 | 6.8 |
| 1994 | 5.0 | 5.3 | 5.5 | 5.7 | 5.8 |
| 1995 | 7.3 | 7.6 | 7.7 | 7.9 | 8.1 |
| 1996 | 5.4 | 5.5 | 5.5 | 5.6 | 5.7 |
| 1997 | 5.8 | 5.9 | 6.0 | 6.1 | 6.3 |
| 1998 | 5.6 | 5.7 | 5.8 | 5.9 | 6.1 |
| 1999 | 4.7 | 4.8 | 4.9 | 4.9 | 5.0 |
| 2000 | 5.9 | 6.0 | 6.0 | 6.1 | 6.3 |
| 2001 | 5.4 | 5.4 | 5.4 | 5.4 | 5.3 |
| 2002 | 4.1 | 4.5 | 4.8 | 5.1 | 5.8 |
| 2003 | 3.1 | 3.6 | 3.9 | 4.2 | 5.1 |
| 2004 | 3.0 | 3.7 | 4.2 | 4.6 | 5.5 |
| 2005 | 3.7 | 4.1 | 4.4 | 4.6 | 5.2 |

Real Treasury Interest Rates

| | 3-Year | 5-Year | 7-Year | 10-Year | 30-Year |
|------|--------|--------|--------|---------|---------|
| 1979 | 2.8 | 3.4 | 4.1 | 4.6 | 5.4 |
| 1980 | 2.1 | 2.4 | 2.9 | 3.3 | 3.7 |
| 1981 | 3.6 | 3.9 | 4.3 | 4.4 | 4.8 |
| 1982 | 6.1 | 7.1 | 7.5 | 7.8 | 7.9 |
| 1983 | 4.2 | 4.7 | 5.0 | 5.3 | 5.6 |
| 1984 | 5.0 | 5.4 | 5.7 | 6.1 | 6.4 |
| 1985 | 5.9 | 6.5 | 6.8 | 7.1 | 7.4 |
| 1986 | 4.6 | 5.1 | 5.6 | 5.9 | 6.7 |
| 1987 | 2.8 | 3.1 | 3.5 | 3.8 | 4.4 |
| 1988 | 3.5 | 4.2 | 4.7 | 5.1 | 5.6 |
| 1989 | 4.1 | 4.8 | 5.3 | 5.8 | 6.1 |
| 1990 | 3.2 | 3.6 | 3.9 | 4.2 | 4.6 |
| 1991 | 3.2 | 3.5 | 3.7 | 3.9 | 4.2 |

| | | | | | |
|------|-----|-----|-----|-----|-----|
| 1992 | 2.7 | 3.1 | 3.3 | 3.6 | 3.8 |
| 1993 | 3.1 | 3.6 | 3.9 | 4.3 | 4.5 |
| 1994 | 2.1 | 2.3 | 2.5 | 2.7 | 2.8 |
| 1995 | 4.2 | 4.5 | 4.6 | 4.8 | 4.9 |
| 1996 | 2.6 | 2.7 | 2.8 | 2.8 | 3.0 |
| 1997 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 |
| 1998 | 3.4 | 3.5 | 3.5 | 3.6 | 3.8 |
| 1999 | 2.6 | 2.7 | 2.7 | 2.7 | 2.9 |
| 2000 | 3.8 | 3.9 | 4.0 | 4.0 | 4.2 |
| 2001 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 |
| 2002 | 2.1 | 2.8 | 3.0 | 3.1 | 3.9 |
| 2003 | 1.6 | 1.9 | 2.2 | 2.5 | 3.2 |
| 2004 | 1.6 | 2.1 | 2.4 | 2.8 | 3.5 |
| 2005 | 1.7 | 2.0 | 2.3 | 2.5 | 3.1 |